

Date: July 22, 2014

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: 2014 Unscheduled Pipeline Repairs Contract

Executive Summary:

The Department of Water Management received bids on June 19, 2014 for the 2014 Unscheduled Pipeline Repairs Contract. This project addresses unscheduled or emergency repair and replacement of potable waterlines, sanitary sewer mains and manholes throughout the City service area. Work completed during this project will be on an as-needed basis in response to pipeline breaks or leaks that cannot be repaired by City crews. Two bids were received and deemed responsive. The Department recommends awarding contracts to both J.F. Wilkerson Contracting Company, Inc., in the amount of \$219,955.00 and Centurion Construction Company, Inc., in the amount of \$294,982.58.

Recommendations:

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract with J.F. Wilkerson Contracting Company, Inc., in an amount not to exceed \$219,955.00 for the 2014 Unscheduled Pipeline Repairs Contract; and
2. Establish a contingency fund for the contract with J.F. Wilkerson Contracting Company, Inc., in the amount not to exceed \$30,045.00; and
3. Authorize the City Manager to negotiate change orders for the contract with J.F. Wilkerson Contracting Company, Inc., provided that the cost of all change orders does not exceed \$30,045.00, and the total project cost of \$250,000.00; and
4. Authorize the City Manager to execute a contract with Centurion Construction Company, Inc., in an amount not to exceed \$294,982.58 for the 2014 Unscheduled Pipeline Repairs Contract; and
5. Establish a contingency fund for the contract with Centurion Construction Company, Inc., in the amount not to exceed \$30,017.42; and
6. Authorize the City Manager to negotiate change orders for the contract with Centurion Construction Company, Inc., provided that the cost of all change orders does not exceed \$30,017.42, and the total project cost of \$325,000.00.

Background:

There are over 2,400 miles of collection and distribution infrastructure in the City of Durham. The City's collection and distribution permits require the City to repair any known defects in our system.

In certain situations, such as very large pipeline/valve repairs or difficult to access pipelines, the Department of Water Management's maintenance divisions do not have the resources – equipment or staff – necessary to complete the project. In other situations sufficient time is not available to formally solicit quotes for the repair work. When these occasions arise, repair contracts that provide

immediate responses by outside contractors are necessary. The proposed contracts will establish on-call contracts to enable expedited responses to maintenance issues.

The contract is structured around either a delayed or immediate response to a repair request by the Department of Water Management. The delayed response line item is used when sufficient time exists to evaluate the proposed repair in detail and agree on the scope before work begins. An immediate response is only used when the required repair is urgent and must be addressed before a scope of work can be developed. To develop the contract pricing structure, Water Management solicited for both hourly rates for different labor classes and equipment utilized. The total contract amount is established by multiplying the hourly rates (labor and equipment) provided by the bidders times an estimated number of hours provided by the City. Each contractor bid different hourly rates, resulting in different total contract dollar values.

During the last three years, staff would have utilized the resources of this type of contract seven times. Department of Water Management proposes awarding two contracts to ensure that at least one contractor is available to respond and mobilize swiftly to address an urgent repair. Once the contractor responds to a repair request, the contractor is paid per hour each employee and piece of equipment is utilized onsite.

Issues and Analysis:

Below is a summary of the bids received on June 19, 2014. All bids were analyzed and deemed responsive.

Contractor	Bid Amount	Contract Amount
J.F. Wilkerson Contracting Company, Inc	\$219,955.00	\$219,955.00
Centurion Construction Company, Inc	\$585,771.12*	\$294,982.58

*Original bid included costs for dewatering excavations that were in excess of typical prices for this work. The Contractor and the City agreed to exclude dewatering, which is rarely needed in the Durham area, from this Contractor's scope and sign a contract for a reduced amount. The reduced amount is \$294,982.58.

The Department of Water Management recommends awarding an Unscheduled Pipeline Repair Contract to both J.F. Wilkerson Contracting Company, Inc and Centurion Construction Company, Inc.

Alternatives:

Alternative #1 - Do not move forward with the unscheduled repair contracts. This would likely result in slower response times and extended repair times because the City does not have the resources to address large or difficult pipeline issues. This would also expose the City to violations of the Collection System Permits and potential fines.

Financial Impacts:

Funds for this project were approved in the Capital Improvements Program Sewer Collection System Rehabilitation and Water Distribution System Rehabilitation.

There are currently funds available for this project in:

4100P762-731004-P2883, \$257,468.79

4100P765-731004-P2883, \$88,491.32

4100P767-731004-P2883, \$168,977.47

SDBE SUMMARY:

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by J.F. Wilkerson Contracting Company, Inc. of Morrisville, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. It was determined that J.F. Wilkerson Contracting Company, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBE requirements for this project but J.F. Wilkerson Contracting Company, Inc. will subcontract to the following certified firm:

Firm	ID	City/State	Amount	% of Contract
Autry Construction Company	MSDBE	Zebulon, NC	\$22,000	10%

WORKFORCE STATISTICS

The workforce statistics for J.F. Wilkerson Contracting Company, Inc. are as follows:

Total Workforce	33	
Total Females	2	6%
Total Males	31	94%
Black Males	5	15%
White Males	20	61%
Other Males	6	18%
Black Females	0	0%
White Females	2	6%
Other Females	0	0%

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Centurion Construction Company, Inc. of Raleigh, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. It was determined that Centurion Construction Company, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

There were no SDBE requirements for this project,

WORKFORCE STATISTICS

The workforce statistics for Centurion Construction Company, Inc. are as follows:

Total Workforce	56	
Total Females	9	16%
Total Males	47	84%
Black Males	2	4%
White Males	38	68%
Other Males	7	12%
Black Females	0	0%
White Females	9	16%
Other Females	0	0%

